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Compensation Model in The Digital Economy Era To Business Literacy For Society

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Abstract. This study aims to determine the role of compensation model in the digital economy era to business literacy for online motorcycle taxi business partners. This is the grounded research because digital business model is very different than the previous business model. The research data was collected through in-depth interviews, focus group discussion (FGD), and surveys. This research provides evidence that they are still work professionally in very flexible work time. The compensation model can motivate them to work professionally and encourages their solidarity among partners.

Keywords: 1 Compensation Model · 2 Digital business model · 3 Motivation · 4 Professionalism · 5 Solidarity

1. INTRODUCTION

1.1. Background

Technological developments and social revolutions (i.e. pragmatism and hedonism) have given rise to changes in the way work, learning, business models, and economic values today. Economic and business developments that are oriented to consumer satisfaction force businesses to spoil consumers. Information technology has led to the emergence of e-commerce in various fields that facilitate direct interaction between sellers and buyers. Online motorcycle taxi companies are present in response to the demands of these consumers. Online motorcycle taxis supply an easy and cheaper people's needs services, especially transportation. Their services are more interesting than traditional motorcycle taxis.

The online motorcycle taxi companies also claims that they also supports the empowerment of SMEs. They have thousands partners who work in. The companies control all their business by high-tech system that no need for face-to-face meetings between workers and buyers of work. The compensation model also implemented by using this system. It is the new organizational culture never imagined before. Online motorcycle taxi (partners) workers are required to work with professionals. Reward and punishment are determined based on the criteria set in the system.

The rapid development of this business is not without causing social impacts. The presence of online motorcycle taxis considered to threaten the existence of traditional motorcycle taxis. Then there were many demonstrations in various cities to reject their presence. The online motorcycle taxis welcomed by millennials who have been literate with technology and have the desire to increase income. On the other hand, traditional motorcycle taxi drivers come from lower-class economic communities with relatively low levels of education, so they do not advanced on technology. However, because online motorcycle taxi services are more professional than traditional ones, over time the traditional motorcycle taxi drivers lose many consumers. In addition, online motorcycle taxi companies offer better financial compensation then taxi drivers being interested in joining online motorcycle taxi partners.

However, because the compensation method is implemented using High-tech information system, the partners of online motorcycle taxi are

required to be able to use technology. Sometimes, they cannot get maximum compensation or maybe they get a penalty just because they do not understand to running the application so it is detrimental to them. On the other hand, this compensation model will force them to learn it. Based on the results of interviews with several online motorcycle taxi partners, as a preliminary study, there were three keywords related to the compensation model carried out by online motorcycle taxi companies namely motivation, professionalism, and solidarity.

1.2. Research Objectives

This research is an exploratory study of compensation models for online motorcycle taxi partners in terms of welfare and business literacy for them. Research objectives are:

1. To explain how compensation model has implemented by online motorcycle taxi service provider
2. To explain whether the compensation model motivate online motorcycle taxi partners
3. To explain whether online motorcycle taxi partners feel fair
4. To explain whether online motorcycle taxi partners feel compete between them

2. LITERATURE REVIEW

2.1. Employee Compensation

Compensation to employees is a reward given for work performed. Compensation provide stimulation and motivation for employees to work well to achieve company goals. Therefore, providing compensation to employees effectively, employees must feel that the compensation provided is appropriate and fair (Long *et al.*, 2011). Lawrence and Weber (2014: 355) state employees and employers are engaged in a critical relationship affecting the corporation's performance. There is a basic economic aspect to their association i.e. employees provide their

performance for firms and employers compensate them for their contributions of skills and productivity.

The statement shows that the relationship between employees and employers should be a mutually beneficial contract. Employees carry out work for the benefits of the company, while employers are responsible for compensating in proportion to their skills and productivity. The satisfactory of both parties in the employment contract is very difficult because the outcomes produced by both of them cannot always be clearly measured or quantified. Therefore, sometimes there is a sense of injustice from employees. Lawrence and Weber (2014: 374) state that employees are one of the company's stakeholders. The Labor relations is important so the work is carry out well. Based on the explanation, the research questions that arise are:

RQ1: How high the model of compensation offered will increase my interest in working as a motorcycle driver?

RQ2: How high the model of compensation offered has clearly rules by partners?

RQ3: How high the model of compensation offered has rules that are easy to understand?

RQ4: How high the model of compensation offered has accepted by a motorcycle driver?

RQ5: How high the model of compensation offered easily explained to other parties?

2.2. Motivation

This online motorcycle taxi business emerges in Indonesia around 2011, while in Yogyakarta this business began around 2015. Currently this business has more than 10,000 partners in Yogyakarta. It seems that this business is in great demand by many people to become partners. The great interest of the partners is certain based on a certain motivation. One of the motivations that emerged from interviews

conducted with them was that this business could provide stable income to satisfy family needs. However, there may be motivations that cause them to be interested and until now have survived to become members of the business partners. Laegaard and Bindslev (2006: 40) state that employees will not be motivated when goals are difficult to achieve or unrealistic to achieve, or when those objectives are relatively easy to achieve.

In organizational theory there are many motivational theories put forward by various scientists. Maslow said that human needs can be divided into five types of needs starting from basic needs, namely physiological needs, security, social, appreciation, and self-actualization. According to Maslow, these needs give rise to motivation and if these needs reach their peak, the motivation to obtain these needs becomes stronger and if it is fulfilled, the intensification to do so decreases so that motivation falls. McClelland states that work motivation arises when individuals have the desire to perform better than other ones. Herzberg explained that individuals are willing to work because there is motivation and motivation including achievement, promotion, appreciation, and responsibility for achieving job satisfaction. ERG Aldefer states motivation cannot operate properly if the work climate does not support. The work climate includes working conditions, interpersonal relationships, supervision, and salary techniques. This theory says that individual's needs have divided into 3 hierarchies, namely existence (E), linkages or relatedness (R), and growth (G). This theory simplifies Maslow's theory of hierarchy of needs. The three levels of need in the ERG theory can strengthen each other and encourage someone to a higher level. This theory enables a worker to remain motivated even though there are levels of unreached needs.

We can use those theories to explain the phenomenon of online motorcycle taxi business, but maybe not because of the socio-economic context underlying each phenomenon differently. So we need a holistic understanding of this social phenomena in the online motorcycle taxi business in Indonesia. This will expand the existing motivation theory (Lee and Raschke, 2016). Online motorcycle taxis are a new form business that booming in the past five years as more people are interested in becoming business partners as motorcycle taxi drivers. This job is interesting because the compensation offered and the flexible working time. Many people who have worked as employees on the other place are then interested in joining because they want to get additional income. Based on the explanation, the research questions that arise are:

RQ6: What factors cause the partners to be interested in joining online motorcycle taxi partners?

RQ7: How high enthusiastic of respondent seeing a friend of a successful motorcycle taxi partner?

RQ8: How high respondent feel that being a motorcycle taxi partner will earn more than his previous income

RQ9: How high respondent feels the work has flexible time?

RQ10: How high respondent feels the bonus offered will make more excited?

2.3. Professionalism

Professionalism comes from the word "profession" which means a position or job that requires expertise or skills from the culprit. To be professional, someone needs certain education and training. Professional organization has a mechanism and rules as a provision. The professionalism can be realized when someone does a job professionally, namely doing work according to expertise and obeying the rules.

In this online motorcycle taxi company, managers make rules to regulate the behavior of the partners so that they will work to satisfy customers. Companies implement IT-based compensation model that structured to maintain work professionalism. Reward can be an incentive and motivation to comply with rules. Rewards combined with sanctions can affect employees to conduct cost-benefit analysis of obedient and disobedient behavior (Chen *et al.*, 2012). Reward and punishment are two forms of methods that can motivate someone to do best. This mechanism will motivate employees if reward and punishment that implemented appropriately and wisely. Based on the explanation, the research questions that arise are:

RQ 11: Why the partners are accepting all the rules given by the company?

RQ 12: How feels of partners about the clearly of awards and sanctions?

RQ 13: How feels of partners about the clearly and explicit rules can change behavior for the better business?

RQ 14: How feels of partners can obtain the easy rule?

RQ 15: How feels of partners can target the amount of income by the compensation model?

RQ 16: How feels of partners that the cause of tariff change related to particular time?

2.4. Solidarity

Contextual factors, such as leadership style and organizational culture, can influence motivation. The online motorcycle taxi partners do not interact directly with the company leaders. The very flexible nature of their work and performance evaluation based on IT make them not too familiar with their leader's leadership style. The environment in which he works is a fellow business partner and the customer he serves. Based on limited interviews with the partners, when they register to join as a business partner, they do not get any knowledge. They must study with fellow senior business partners. Therefore, they form social media groups. This group is a place to ask and get information on how to work and serve customers. Therefore, this social media group is a source of learning.

There are local wisdom values that appear in the relationships between partners, namely solidarity. Solidarity can be interpreted as solidary; the same boat and so on; loyal feelings of friends. This feeling arises when they feel that they have the same position in the same class, position, race, or religion. In this context, solidarity arises because they feel the same so that they perceive themselves as groups and positions.

Solidarity between members will lead to motivation to work great and this will improve performance. This social capital is the very important for motorcycle taxi management to improve organizational performance. Arena and Uhl-Bien (2016) state that social capital relates to competitive benefits generated by basing on the way an individual relates to other people. There are two aspects of social capital, namely group cohesion and brokerage. Group cohesion relates to how an

individual relates to other members in a group, while brokers related to liaison between one group and another group. The benefit of a more cohesive group is that individuals can exchange information and generally show a high level of trust compared to groups that are less cohesive (Fleming et al., 2007). In the online motorcycle taxi business, the relationship between business partners is very strong. From the results. In Yogyakarta, until now there have been formed 14 WhatsApp groups with members for each group ranging from 200-250 members to exchange information. Based on the explanation, the research questions that arise are:

RQ17: What benefits of the WhatsApp group?

RQ18: How feels the partners when they joint with WhatsApp group?

RQ19: How feels the partners about the learning in WhatsApp group?

RQ20: How feels the partners about the share information in WhatsApp group?

3. METHODOLOGY

This type of research is qualitative research conducted through exploration of individual experience for the development of new theories (grounded theory) to understand deeply the online motorcycle taxi business model and compensation model for partners. The subjects of this study were 40 partners in the Yogyakarta region. They must meet the criteria: (1) work full time, this is to limit that their income from online motorcycle taxis is their main source of income, (2) have joined the company for at least 1 year, this is so that researchers obtain sufficiently complete data on their experience joining this business.

Collecting data through in-depth interviews, Focus Group Discussions, and surveys. In-depth interviews and FGDs, researcher intent to understand deeply about the perceptions of each of the online motorcycle taxi business partners on the compensation model. The researcher does not prepare questions specifically but will follow the flow of conversation with the partners. Then, form questionnaire questions based on data obtained from interviews and FGDs. Questionnaires have distributed to 40 partners operating in the Yogyakarta area. At the time of data

collection, a brief interview has conducted to strengthen the data obtained from the survey.

4. RESULTS AND DISCUSSION

4.1. Demographic of Respondent

Table 1 shows the education level of the respondents surveyed. The table shows that most (85.7%) of respondents have junior and senior high school education, 2.8% of respondents have diploma education and 11.5% of respondents have undergraduate education.

Table 1. Education Level

Education	Number of Respondent	% Respondent
Senior and junior High Schools	30	85.7
Diploma	1	2.8
Undergraduate	4	11.5

Table 2 shows gender of the respondents surveyed. The table shows that 88.5% respondents are male and 11.5% respondents are female.

Table 2. Gender

Gender	Number of Respondent	% Respondent
Male	31	88.5
Female	4	11.5

Table 3 shows age of the respondents surveyed. The table shows that 11.4% respondents are less than 30 years old, Age respondents are

between 31 and 40 years old and between 41 and 40 years old each are 40% of respondents, then 8.6% respondents are more than 50 years old.

Table 3. Age

Age (Years)	Number of Respondent	% Respondent
<30	4	11.4
31-40	14	40
41-40	14	40
>50	3	8.6

Table 4 shows experience of the respondents surveyed. The table shows that 40% respondents have 1-2 years of experience, 25.7% respondents have 2-3 years, and 34.3% respondents have more than 3 years.

Table 4. Experience

Age (years)	Number of Respondent	% Respondent
1-2	14	40
2<X≤3	9	25.7
>3	12	34.3

4.2. Compensation Model in Online Motorcycle Taxis Company

We collect data by interview and discuss with four partners. Then we complete the information by reading newspaper in internet about compensation system in the company. By interview and discussion, we collect information about the rule of tariff and bonus get by the partners.

The rules of compensation for the partners have been set in the online motorcycle taxi system. There are tariffs and bonuses in the online compensation system is final nature. It means there are no negotiations in tariff and bonuses. If they do not agree to the rules in the system, they can resign as partners.

Based on interview and discussion, the partners often do not know about the change of rules about tariffs and bonuses. The rate of tariffs and bonuses has considered by distance, the types of services, larger number of customer than motorcycle taxi drivers, etc. The more points they get, the more bonuses they receive. A motorcycle taxi driver does not receive a monthly salary regularly, but he receives income from the result of completing the order he received. The more orders that can be completed, the greater the income.

We give five closed questions that be answer by six-likert scales. The five questions submitted to respondents and score mean have presented in the table 5. We compute score mean by divide the sum of value which given by respondent for each question with number of respondent.

Table 5. Questions about Compensation Received

No	Questions	Score Mean
1	The model of compensation offered will increase my interest in working as a motorcycle driver	4.74
2	The model of compensation offered has clearly rules	4.66
3	The model of compensation offered has rules that are easy to understand	5.00
4	The model of compensation offered is accepted as is by a motorcycle driver	4.54
5	The model of compensation offered easily explained to other parties	4.69

likert-scale: 1=very disagree, 2=disagree, 3=rather disagree, 4= rather agree, 5=agree, 6=very agree

Table 5 shows the respondent give mean value between 4.5 and 5.00. It means they state the compensation is rather give motivation to work in the company. The clearly rules enough cause rather easy to understand, rather can be accepted and easily explained enough to other parties.

4.3. Motivation

The model of compensation offered by the Company will increase the interest of partners work as motorcycle drivers. This causes more and more people who are interested in joining as partners. On the other hand, the more people who join, more profitable the company will be. The applicator only wants to get a large market base so that the price is cheap because he can have a large market base.

We survey 35 respondent in order to get information about compensation that they receive. We give an open question about the reason that encouraged them to join in the company of online motorcycle taxi. We categorize the answers in four groups as illustrated in table 6.

Table 6. The reason that encouraged them to join in the company

No	Reasons	Number of Respondent	%
1	The compensation is attractive	6	17%
2	The compensation as adding income	9	26%
3	No other job	5	14%
4	Flexible working time	15	43%

The table 6 shows 43% of respondent said that they choose work as partner of online motorcycle company because it is flexible working time. Then 26% of them said that the job as adding income, 17% of them said the job has given attractive compensation, and only 14% of them said that they did not get another job. They try to get as much income every

day. His motivation is to compete to get maximum points. The effort to get maximum points is actively find locations where the probability of getting customers is maximum, for example around the campus. If time is still possible to get maximum points, they will continue to pursue the highest points in order to get the maximum bonus. On the other hand, when the remaining time and energy owned does not allow getting the maximum bonus, the partner only optimizes the bonuses obtained. If until 20.00 West Indonesia Time has not received 10 pins, the partners give up because they estimate maximum bonuses will not be possible. As table 6, we can see almost 50% of respondent said that the online motorcycle taxi give flexible working time so they can manage time for socialize, for family, etc. The attractive compensation can improve their welfare.

We also ask four closed questions to the respondent about the reason they joint to the company. The result of tabulation of data has presented in table 7.

Table 7. Questions about the reason they joint to the company

No	Questions	Score Mean
1	Seeing a friend of a successful motorcycle taxi partner made me more enthusiastic about working as it	4.94
2	I feel that being a motorcycle taxi partner will earn more than his previous income	5.03
3	I decided to become a motorcycle partner because of flexible working time	5.60
4	The bonus offered will make me more excited in working as a motorcycle partner	4.80

likert-scale: 1=very disagree, 2=disagree, 3=rather disagree, 4= rather agree, 5=agree, 6=very agree

Table 7 show the mean scores are between 4.80 and 5.60. It means respondents agree the job can increase their income because the wages and bonuses are attractive. In the other side, all of the respondent agree the job is flexible in working time. They enthusiastic joint to this work because they want to higher their welfare.

4.4. Professionalism

We ask respondent an open question about the reason for accepting all the rules given by the company. The answers of respondent can be categorize by two reason as illustrated in table 8.

Table 8. The reason for accepting all the rules given by the company

No	Reasons	Number of Respondent	%
1	The rule is the obligation	19	54%
2	They feel be forced to accept the rules	16	46%

Table 7 shows 54% of respondent said the rule as the consequences of the job. They can get a lot of money so they must obey the rule. They have awareness about the rights and obligations in their work place. They know that the obligation to comply with existing rules will enable them to serve consumers well. Then 46% of respondent said the rule has forced them to obey. They feel the rules are set unilaterally so that they cannot bid and if they violate they are afraid of be sanctioned.

We also ask five closed questions to the respondent about respondent's feeling related to the stated rule. The result of tabulation of data has presented in table 7

Table 9. Questions about Professionalism

No	Questions	Score Mean
1	The company provide clear awards and sanctions to motorcycle taxi drivers in an explicit or uncompromising manner	4.26
2	The clear and explicit rules can change behavior for the better	5.14
3	The company rules can be obtained easily	4.86
4	The partners can target the amount of income because it is determined by the length of work hours	4.66
5	The company determines the tariff rules directly and changes which are adjusted to the busy or crowded hours	4.31

likert-scale: 1=very disagree, 2=disagree, 3=rather disagree, 4= rather agree, 5=agree, 6=very agree

Table 9 show question number 2, 3, and 4 are given mean score 5.14, 4.86, and 4.66 respectively. It means respondents agree that the rules can make their better behavior. The rule also can be obtained easily and help make decision easily. The mean score of question number 1 and 5 are 4.26 and 4.31. It means the respondent rather feels that the rule is rather understand clearly and the respondent feels the changes of tariff no always caused by the particularly time, it can be caused by another factor that they do not understand. The interesting of this result is the respondent agree that the rule can make they are be professional.

4.5. Solidarity

All partners of online motorcycle taxi joint to WhatsApp groups. The group can be communication media to discuss the company's policy. An open question has asked to respondent about the benefits of the WhatsApp group. The data presented in table 10.

Table 10. The benefits of the WhatsApp group

No	Reasons	Number of Respondent	%
1	Get Information	9	26%
2	Establish relationship	21	60%
3	The places of learning from another partners	5	14%

The table 10 shows most think WhatsApp group can be a place for friendship. Relations among partners will create a sense of solidarity so that when there is important information they will give information each other. WhatsApp group also has used as a learning place for partners who are not proficient in using motorcycle taxi applications. In this situation, partners feel they do not alone work and they feel comfort to run the applications.

The mean score of closed questions related to solidarity among partners has presented in table 11. The three questions has asked to respondent related to an open question presented above. In Table 11, we can see the result hold with the open question. All partners feel the WhatsApp group helped because they can get information quickly and solution of their problems related their services.

Table 11. Questions about Solidarity

No	Questions	Score Mean
1	I joined the WhatsApp group whose members are fellow motorcycle partners	5.40
2	In the WhatsApp group, motorcycle taxi partners can enable each other to learn in understanding the rules	5.54
3	In the WA group, motorcycle partners can share and get information related to services.	5.57

likert-scale: 1=very disagree, 2=disagree, 3=rather disagree, 4= rather agree, 5=agree, 6=very agree

5. CONCLUSION

Based on the descriptive analysis, we can conclude several things about the motivation, professionalism, and solidarity among the partners of online motorcycle taxi. The compensation model offered by online motorcycle taxi providers provides an attraction for partners to join in. Their interest has caused by attractive compensation and is promising enough to improve their welfare. Among them, the work is a main job and a side job. as the main job they decided to join because all this time they felt they did not get a satisfying job. Some of them who choose to join in order to provide additional income for them. The others choose to joint in because the company give flexible working time so they can manage time for socialize with neighbor or friends and have time for family. They feel the compensation can increase their welfare in the future. The results showed that income could reach an average of three times the regional minimum wage of the city of Yogyakarta for drivers who worked full time.

The rule of tariff and bonuses in compensation model give many benefits for the partners of online motorcycle taxi and the company. The rule restricted partners' dysfunctional behavior because if they are not obey the rule they may get the sanctions and if the violation is bigger so they

may get suspense or must quit from the company. This condition is beneficial for the company because of the rules made in the application effective to regulate the partners. Partners feels the rules as an obligation but several feels as forced to accept. It means that not yet all partners aware the demands of professionalism but they agree the rules can make their better behavior.

The sanctions has applied if the partner violate the rule make they are afraid to break it. It make the partners attempted to looking for as much as information to avoid the violations. In WhatsApp group, they can learn from each other and exchange information related to the rules set by the company. In WhatsApp group, they can also know each other then it can strengthen their solidarity among them. It means the WhatsApp group can increase solidarity among the partners.

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